



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

July 14, 2023

Honorable Denise L. Cote
United States District Judge
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, New York 10007

**Re: United States v. James Velissaris,
22 Cr. 105 (DLC)**

Dear Judge Cote:

The Government writes to provide further information to the Court and defendant James Velissaris regarding the attorney's fees sought in restitution in the above-captioned case, per the Court's July 7, 2023 Order. (Dkt. 133).

Volatility Alpha Fund

Attached to this letter as Exhibit A are invoices that the Volatility Alpha Fund ("VAF") has provided in support of its request for restitution for certain attorney's fees.¹ VAF has provided the following information about the invoices:

James Velissaris. The invoices submitted by Mr. Velissaris to VAF for advancement bear Bates stamps IQCM-SDNY-00001070 through IQCM-SDNY-000001599. The invoices submitted by Mr. Velissaris were not all paid in full, because some invoices were partially disputed or discounted. To show the actual amounts paid on account of these invoices, VAF produced wire transfer confirmations, which bear Bates stamps IQCM-SDNY-00001058 through IQCM-SDNY-000001069. The wire transfer confirmations show the amounts transferred by Infinity Q Capital Management, LLC ("IQCM") on account of these invoices; VAF paid all but \$0.28 of the amounts transferred by IQCM.²

To ensure that VAF's request for restitution was limited to the actual amount VAF paid (as opposed to the original amount invoiced, which was higher), VAF calculated the restitution request for these invoices by taking the amount actually advanced to Mr. Velissaris from VAF

¹ The Government respectfully requests that these invoices be filed under seal as they reflect losses and financial and identifying information of the victim.

² IQCM is the general partner of VAF.

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(\$20,349,167.24) and subtracting any fees that were paid exclusively on account of regulatory investigations or civil litigation. In particular, the following amounts paid on account of the following invoices (totaling \$113,670.95) were excluded from VAF's restitution request:

		Bates Number
SEC April 2022	\$3,460.30	IQCM-SDNY-00001124
SEC May 2022	\$310.50	IQCM-SDNY-00001406
SEC June 2022	\$8,855.00	IQCM-SDNY-00001096
CFTC June 2022	\$310.50	IQCM-SDNY-00001097
Civil August 2022	\$56,486.00	IQCM-SDNY-00001225
SEC August 2022	\$13,669.50	IQCM-SDNY-00001092
Civil September 2022	\$23,020.90	IQCM-SDNY-00001414
(70% of \$32,887.00 bill was paid)		
Civil October 2022	\$7,558.25	IQCM-SDNY-00001255
(70% of \$10,797.50 bill was paid)		

As a result of this calculation, VAF determined that the amount it paid on account of Mr. Velissaris's legal fees in the criminal case was \$20,235,496.29.

Scott Lindell. The invoices from counsel for Scott Lindell bear Bates stamps IQCM-IQCM-SDNY-00000993 through IQCM-SDNY-000001057. These invoices have been highlighted to indicate which entries VAF identified as related to the prosecution of Mr. Velissaris and thus part of the restitution request. As a result of this review, VAF determined that the amount advanced to Mr. Lindell that is subject to restitution totals \$514,315.00.³

Other Employees. Four invoices from counsel for two additional Infinity Q employees bear Bates stamps IQCM-SDNY-00000982 through IQCM-SDNY-00000992. VAF determined that all of the entries in these specific invoices were in furtherance of the prosecution of Mr.

³ VAF's May 30 letter listed the amount advanced to Mr. Lindell as \$516,115.00. (Dkt. 129, Ex. H). When preparing this production, VAF identified a clerical error in its tabulation that slightly changed the amount.

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Velissaris. As a result, VAF determined that the amount advanced to these individuals that is subject to restitution totals \$79,182.67.

Respectfully submitted,

DAMIAN WILLIAMS
United States Attorney

by: _____ /s/
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